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EUR/SCE FOR JMITCHELL
PRM FOR ADEWEY AND TTARGOS
BELGRADE FOR DSALAZAR

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SUBJECT: GOC COMMITTED TO CLOSING REFUGEE PORTFOLIO; RECENT
PROGRESS, BUT BARRIERS REMAIN

Classified By: Kirsten B. Selinger for Reasons 1.5 (b) and (d)

Summary and Comment

[11.](#) (U) During his 29 SEP) 2 OCT trip to Croatia, Assistant Secretary for PRM Arthur Dewey visited several refugee return

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sites - both trouble spots and successes - and heard that the barriers to additional returns include a lack of economic opportunity in the war-affected areas, bureaucratic hold-ups, lingering resistance to ethnic Serbs, and the existence of a &secret8 list of war-crimes indictments. FM Zuzul emphasized the GOC,s intense commitment to concluding the refugee portfolio, noting that they were past &the point of no return8 on its resolution. While many refugees have moved on and may no longer wish to return, the GOC wants and needs to close the returns chapter, facilitating return for those who wish to in a transparent manner. As such, its upcoming public information campaign in Serbia and Montenegro (SAM) and Bosnia (BiH) will publicize its program for potential returnees who lost socialized housing) the final and most difficult housing category. Continued international pressure is needed, according to the OSCE, UNHCR and EU, in order to meet their goal of wrapping up the returns issue by the end of 2006.

[12.](#) (C) Dewey met with ethnic Serb MP Milorad Pupovac, who praised PM Sanader,s political commitment to reintegration and significant progress on housing for returnees, but noted that the PM,s message of reconciliation has still not trickled down to all members of his party and administration. In the coming months, the ethnic Serb party (SDSS) will reevaluate its coalition with the GOC; concrete progress will be critical in maintaining their support, and recent comments indicate they are not fully pleased with developments. End Summary and Comment.

FM Zuzul: &Only One Way to Proceed8

[13.](#) (U) The political commitment of the GOC was repeatedly underscored during the visit, most notably in a meeting with FM Miomir Zuzul. The GOC has &made a decision that we want to solve8 the issues of refugee return and war criminals. The GOC knows there is only one way to proceed, Zuzul said, and that its chances for Euro-Atlantic integration hinge on these two issues, specifically resolving housing for returns and handing over fugitive General Gotovina to the ICTY. Since the HDZ took power the atmosphere for returns has changed significantly, Zuzul asserted. We are proud of what has been achieved in less than a year, he said, noting that PM Sanader has twice visited ethnic Serb homes, the first PM to do so. The GOC goal is to create the conditions for returns, including stimulating economic development. In that regard, Zuzul asked Dewey for ideas to redevelop the economically-depressed war-affected areas.

Ethnic Serb View: War Crimes Charges Are Continuing Barrier

[14.](#) (C) PM Sanader,s genuine commitment was reaffirmed in Dewey,s meeting with Serbia and Montenegro Ambassador Milan Simurdic and Pupovac, although they noted that others have not jumped on board the PM,s reconciliation train. In fact, some are standing in the way and are turning back the democratic process, Pupovac stated firmly. Certain politicians will have to leave the GOC, he cautioned, or we will reconsider our coalition. (Note: Pupovac is referring in part to unpopular and long-serving Assistant Minister for Displaced Persons and Refugees Lovre PejkoVIC, who has been repeatedly criticized for inaction and obstruction of the returns process on many fronts. End Note.) In recent days, Pupovac has spoken out publicly about the lack of practical support for returns, calling administrative barriers and policy inconsistencies an alternate form of ethnic cleansing.

[15.](#) (C) Of serious concern to both is the alleged &secret list8 of persons accused of war crimes, which has taken on mythic proportions within the refugee community. Pupovac and Simurdic agreed that fear of arrest remains the major deterrent to additional returns to Croatia. The Chief State

Prosecutor is finalizing a review of all ongoing war crimes investigations with the goal of eliminating unfounded

accusations. He has promised a comprehensive list of the remaining cases (about 1,900) to Pupovac in the coming weeks.

While only a few returnees per month are arrested and most are quickly released, Pupovac said that news of any arrest has a chilling effect on refugee return as it spreads via word of mouth in refugee communities. Pupovac intends to approach Sanader on this issue, and said receipt of an accurate list will play into his party's further participation in the coalition, hinting at an internal review by the end of this year.

16. (SBU) Simurdic praised the positive approach of the GOC, but complained that they have not established a permanent dialogue with the GOS. For example, he was not invited to the launch of the GOC/OSCE/UNHCR/EU public information campaign to encourage refugee returns, targeted predominantly at individuals currently living in Serbia and Montenegro. The GOC is using the ethnic Serb SDSS as a substitute for dialogue with the GOS, he said. In Dewey's meeting with Zuzul, the FM had admitted its failure in communicating with Belgrade, attributing it to Belgrade's lack of organization and clear representative.

Field Visits: Barriers Remain, Progress Slow

17. (U) In numerous visits to returnee families, and to civil society organizations that assist refugee returns, A/S Dewey saw GOC-funded settlements for Bosnian Croats and property repossession sites of Croatian Serbs. However, looting of Serb properties (mainly by Croats who occupied the properties after the war) remains a practical barrier to habitation. Many potential returnees, according to several NGOs, are also deterred by a lack implementation of laws at the national and local levels, minimal access to GOC funding for returns, and bureaucratic obstruction.
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